

## Message Text

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PAGE 01 ROME 00649 161513Z

62

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 L-02 H-02 PA-02 USIA-15 PRS-01 SAJ-01 /102 W

----- 052882

R 161402Z JAN 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9034

INFO USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS ROME 0649

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJ: ITALIAN INTEREST RATES DECLINE

REF : ROME 17666 OF DECEMBER 24, 1974

PASS TREAS & FRB

1. MILAN FINANCIAL DAILY /24 ORE/ ON JANUARY 16 REPORTS THAT MEETING WAS HELD ON JANUARY 15 AMONG LARGEST ITALIAN BANKS TO DISCUSS LOWERING OF INTEREST RATES IN ITALY. REPORTEDLY, THESE BANKS AGREED THAT INTEREST PAID ON LARGE DEPOSITS SHOULD ON AVERAGE NOT EXCEED 16.5 PERCENT. THIS IS APPARENTLY A DROP OF ABOUT 2 POINTS FROM RECENT MAXIMUM RATES. BANKS ALSO AGREED TO CONVENE 14-MEMBER BANK CARTEL TO CONFIRM THIS MAXIMUM INTEREST RATE ON LARGE DEPOSITS AND PERHAPS EVER TO REDUCE MAXIMUM TO 15.0 PERCENT.

2. BANKS REPORTEDLY DID NOT AGREE TO CHANGE PREVAILING RATES CHARGED ON LOANS EXCEPT FOR LOANS TO FINANCE STOCK PURCHASES. WE BELIEVE THAT PRIME RATE IS STILL ABOUT 18 PERCENT.

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PAGE 02 ROME 00649 161513Z

3. SLIGHT INCREASE IN BANK LIQUIDITY, ESPECIALLY AFTER  
END-YEAR, HAS ALSO LED TO SOME DECLINE IN INTER-BANK  
INTEREST RATES. FOR EXAMPLE, 48-HOUR RATE ON NOVEMBER 28  
WAS 16.9375, AND 3-MONTH RATE WAS 18.375, COMPARED TO JANUARY  
15 RATES OF 14.9375 AND 15.625, RESPECTIVELY.

4. IT APPEARS THAT DECLINE IN ECONOMIC ACTIVITY AND MODEST  
MEASURES TAKEN BY BANK OF ITALY (REFTEL) TO LOOSEN UP ON  
CREDIT ARE HAVING SOME EFFECT IN REDUCING OVERALL LEVEL OF  
INTEREST RATES.VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRIME INTEREST RATES, CREDIT CONTROLS, ANTIINFLATIONARY PROGRAMS, COMMITTEE MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ROME00649  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750017-0675  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750146/aaaaboiy.tel  
**Line Count:** 71  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 ROME 17666, 75 OF DECEMBER 24, 75 1974  
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**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 APR 2003 by SilvaL0>; APPROVED <25 Nov 2003 by MorefiRH>  
**Review Markings:**

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Declassified/Released  
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EO Systematic Review  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITALIAN INTEREST RATES DECLINE  
**TAGS:** EFIN, IT  
**To:** STATE  
**Type:** TE  
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